

110TH CONGRESS
1ST SESSION

H. R. 2910

To amend the Servicemembers Civil Relief Act to provide for reimbursement to members of the Armed Forces of tuition for programs of education delayed by military service, for deferment of students loans and reduced interest rates for members of the Armed Forces during periods of military service, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2007

Mrs. DAVIS of California (for herself, Mr. MITCHELL, and Mr. WALZ of Minnesota) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend the Servicemembers Civil Relief Act to provide for reimbursement to members of the Armed Forces of tuition for programs of education delayed by military service, for deferment of students loans and reduced interest rates for members of the Armed Forces during periods of military service, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Veterans Education
3 Tuition Support Act of 2007” or the “VETS Act of
4 2007”.

5 **SEC. 2. FINDINGS AND PURPOSES.**

6 (a) FINDINGS.—Congress makes the following find-
7 ings:

8 (1) There is no more important cause than the
9 defense of the United States.

10 (2) Since 2003, nearly 1,300,000 members of
11 the Armed Forces have served in Iraq or Afghani-
12 stan and over 420,000 members of the Armed
13 Forces in the National Guard and Reserve have been
14 called to active duty.

15 (3) The men and women of the Armed Forces
16 put their lives on hold, leave their families, jobs, and
17 postsecondary education in order to serve the United
18 States, and do so with distinction.

19 (4) In 2005, 500,000 veterans claimed edu-
20 cation benefits from the Department of Veterans Af-
21 fairs and approximately 47,000 of those veterans are
22 members of the National Guard or Reserve and re-
23 cently returned from serving in the Armed Forces in
24 Iraq or Afghanistan.

25 (5) Many members of the Armed Forces depend
26 on various forms of financial aid in addition to their

1 Montgomery GI Bill benefits to help fund their col-
2 lege education.

3 (6) The 6 percent interest rate cap on all debts
4 of members of the Armed Forces called to active
5 duty guaranteed by the Servicemembers Civil Relief
6 Act (50 U.S.C. App. 501 et seq.) has been inter-
7 preted narrowly by the Secretary of Education not
8 to apply to Federal student loans.

9 (7) Members of the Armed Forces who return
10 from deployment overseas in the Armed Forces and
11 who are unable to continue immediately a program
12 of education that they were forced to discontinue be-
13 cause of such deployment are being forced to begin
14 making payments on their private students loans
15 only 1 month after such return.

16 (8) The transition from service in the Armed
17 Forces in a combat theater to a classroom is a dif-
18 ficult challenge and should not be rushed merely to
19 avoid paying back student loans.

20 (9) As of the date of the enactment of this Act,
21 colleges are not required to make reasonable accom-
22 modations for students who are called to active duty
23 in the Armed Forces, such as tuition reimbursement
24 and relaxation of requirements for reenrollment.

1 (10) Members of the Armed Forces who return
2 from deployment overseas and attempt to reenroll in
3 a program of education are overwhelmed with bu-
4 reaucracy.

5 (11) Studies have shown that symptoms of
6 post-traumatic stress disorder (PTSD) and other
7 non-apparent injuries may take up to a year to
8 manifest.

9 (12) Members of the Armed Forces deserve to
10 have at least a full academic year to reintegrate into
11 society before they are required to begin paying back
12 student loans.

13 (13) Members of the Armed Forces who fight
14 to protect the United States deserve a Government
15 that fights to protect them.

16 (b) PURPOSES.—The purposes of this Act are—

17 (1) to assist members of the Armed Forces who
18 return from a deployment to transition from military
19 service to civilian life and to undertake programs of
20 education they were forced to discontinue because of
21 such deployment;

22 (2) to provide a 13-month transition period for
23 such members to reenroll in such a program of edu-
24 cation and to begin paying back student loans un-
25 dertaken for such program of education;

1 (3) to institute a 6 percent interest rate cap on
2 student loans of a member of the Armed Forces
3 while such member is deployed on active duty; and
4 (4) to require providers of programs of edu-
5 cation to provide reasonable accommodations to their
6 students who are members of the Armed Forces and
7 who discontinue a program of education because of
8 a deployment.

9 **SEC. 3. RELIEF FOR STUDENTS WHO ARE MEMBERS OF**
10 **ARMED FORCES DURING PERIOD OF MILI-**
11 **TARY SERVICE.**

12 (a) IN GENERAL.—Title VII of the Servicemembers
13 Civil Relief Act (50 U.S.C. App. 591 et seq.) is amended
14 by adding at the end the following new section:

15 **“SEC. 707. TUITION, REENROLLMENT, AND STUDENT LOAN**
16 **RELIEF FOR POSTSECONDARY STUDENTS**
17 **CALLED TO MILITARY SERVICE.**

18 “(a) TUITION AND REENROLLMENT.—Whenever a
19 servicemember is called, activated, or ordered to military
20 service and withdraws or takes a leave of absence from
21 the institution of higher education in which the
22 servicemember is enrolled, the institution shall—

23 “(1) refund to such servicemember the tuition
24 and fees paid by such servicemember (other than
25 from the proceeds of a grant or scholarship) for the

1 portion of the program of education for which such
2 servicemember did not receive academic credit after
3 such withdrawal or leave; and

4 “(2) provide such servicemember an oppor-
5 tunity to reenroll with the same educational and aca-
6 demic status in such program of education that the
7 servicemember had when activated for military serv-
8 ice.

9 “(b) DEFERMENT OF REPAYMENT OF LOANS.—
10 Whenever a servicemember is called, activated, or ordered
11 to military service and withdraws or takes a leave of ab-
12 sence from the institution of higher education in which
13 the servicemember is enrolled, the following rules shall
14 apply to a provider of students loans who has provided
15 a student loan to such a servicemember that is not in re-
16 payment status on the date the period of military service
17 begins:

18 “(1) If the servicemember reenrolls in the pro-
19 gram of education (or a comparable program) within
20 13 months following the period of military service,
21 the provider shall disregard the entire period the
22 program of education was discontinued in deter-
23 mining the date on which repayment of the student
24 loan is to begin.

1 “(2) If the servicemember does not so reenroll,
2 the provider shall not require repayment of the stu-
3 dent loan to begin before the later of the last day
4 of such 13-month period or the date the repayment
5 was to begin without regard to this subsection.

6 “(c) DEFINITIONS.—In this section:

7 “(1) The term ‘Federal financial aid program’
8 means a program providing loans made, insured, or
9 guaranteed under part B, D, or E of title IV of the
10 Higher Education Act of 1965 (20 U.S.C. 1077 et
11 seq., 1087a et seq., 1087aa et seq.).

12 “(2) The term ‘institution of higher education’
13 means a 2-year or 4-year institution of higher edu-
14 cation as defined in section 102 of the Higher Edu-
15 cation Act of 1965 (20 U.S.C. 1002).

16 “(3) The term ‘student loan’ means any loan,
17 whether Federal, State, or private, to assist an indi-
18 vidual to attend an institution of higher education,
19 including a loan made, insured, or guaranteed under
20 part B, D, or E of title IV of the Higher Education
21 Act of 1965 (20 U.S.C. 1077 et seq., 1087a et seq.,
22 1087aa et seq.).”.

23 (b) EXEMPTION OF STUDENT DEBTS FROM CRED-
24 ITOR PROTECTION BASED ON INCOME LEVEL.—Section
25 207(c) of the Servicemember’s Civil Relief Act (50 U.S.C.

1 App. 527(c)) is amended by adding at the end the fol-
2 lowing new sentence: “This subsection shall not apply with
3 respect to an obligation or liability that is incurred by a
4 servicemember who, at the time the servicemember is
5 called to military service, is a student enrolled within six
6 months of activation at an institution of higher education
7 on a full-time basis, as determined by that institution.”

8 (c) CLERICAL AMENDMENT.—The table of contents
9 in section (1)(b) of such Act is amended by adding at the
10 end the following new item:

“Sec. 707. Tuition, reenrollment, and student loan relief for postsecondary stu-
dents called to military service.”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall take effect for periods of military service
13 beginning after the date of the enactment of this section.

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